

MEMO

DATE: October 15, 2004

TO: Administration Committee and Regional Council

FROM: Heather Copp, CFO *Hc*
(213) 236-1804, copp@scag.ca.gov

RE: Annual Financial Statements

EXECUTIVE DIRECTOR'S APPROVAL:

Mark Vroman

SUMMARY: The drafts of the comprehensive annual financial report, single audit and management letter for Fiscal Year 2004 were reviewed and discussed at the Audit and Best Practices Subcommittee meeting on October 13. They are now submitted in final form to receive and file.

BACKGROUND: The annual fiscal audit was performed by KPMG for the fourth consecutive year. Attached are copies of the Fiscal Year 2004 comprehensive annual financial report, single audit and management letter. We are pleased to report the opinions are unqualified and the management letter states that the one prior year finding has been fully resolved and there are no findings for this year.

You will notice for the second year, the financial statements include a color cover, transmittal letter and a management discussion and analysis. These changes were due to implementation of GASB 34 and KPMG's continued opinion that the statements should be submitted for recognition by the Government Finance Officer's Association annual award.

We are pleased to provide you with these documents a month earlier than last year as another indication of the improvements that have been made in SCAG's financial administration.

FISCAL IMPACT: *Hc*

None

#104131v1



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

000070